Challenges, Opportunities, and Recommendations for a Just Transition in Laos

south to south JUST TRANSITIONS

CLIMATE Strategies

Colophon

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Key Messages

- Laos is highly vulnerable to the impacts of climate change, but has historically been a low emitting nation. Hydropower presently supplies most of the country's electricity, and the majority of emissions come from the transport sector.
- Balancing development and environmental policy is a challenge, given that a poverty rate of 18-24%.
- Laos has a number of policies in place to support emissions reduction and climate change mitigation, including the 9th Five-Year National Socio-Economic Development Plan (2021-2025), which aims to reduce disaster risk and improve environmental protection.
- One key environmental protection goal is to increase forest cover from 40% to 70%. To this end, the government has promoted a National REDD+ Strategy, a National Forest Monitoring System, a pilot program in Payments for Environmental Services, and has banned the export of logs and sawn wood.
- While these policies will and support vital forest regeneration, they may have negative impacts on local communities' livelihoods and create or exacerbate poverty, as 70% of the country works in agriculture and forestry.
- Laos will also need to balance conservation goals with energy production, as the growth of hydropower may result in the flooding of some forest areas.
- Actions to protect forests and introduce more sustainable agricultural practices must involve benefit-sharing mechanisms and social safeguards in order to mitigate any negative impacts and to ensure a just transition that generates benefits for a wide segment of society.
- In order to enable just transition planning across multiple sectors, Laos will need to address several strategies issues, including:
  - Increasing governmental capacity, building awareness, and developing a cross-governmental coordination mechanism on just transition planning
  - Addressing gaps in sectoral data to enable data analysis
  - Mobilising national and international financing in a coordinated and synergised manner
  - Developing expertise in social dialogue and participatory process, including engage poor and marginalised people in climate action planning
- Transitions in Laos must be carefully balanced and inclusive. Transition policies that fail to consider local communities, and their specific needs, may result in a loss of livelihoods. On the other hand, policies that actively involve these communities in planning can both increase community acceptance and improve quality of life.

1. Introduction

Climate change requires urgent action, and Laos People's Democratic Republic (PDR) recognises that these changes are imperative.

Laos is highly vulnerable to the impacts of climate change (Yusuf and Francisco, 2009). In recent years, natural disasters like floods, droughts, and landslides have severely damaged peoples' livelihoods, especially in rural parts of the country.

Laos PDR has very low greenhouse gas (GHG) emissions compared with other ASEAN countries and by world standards more broadly, although emissions are growing. Total carbon dioxide (CO_2) emissions totalled 4.5 million tons in 2016, 7.9% higher than the previous year.[1] In per capita terms, CO_2 emissions in 2016 were equivalent to 0.66 tonnes per person, 6.3% higher than in 2015, but remained low by world standards. By sector, CO_2 emissions come mostly from transportation (36.9%), non-combustion (23.6%), buildings (18.4%), other industrial combustion (15.7%), and the power industry (5.4%).[2] Industrial development is the primary driver of emissions growth. Although electricity access has increased from just 15% in 1995 to around 90% in 2019 (World Bank, 2022), the power sector contributes a relatively low amount to the country's emissions, as hydropower supplies almost all the country's electricity, and electricity generally remains a small portion of final energy consumption.

The government of Laos must simultaneously respond to climate risks and other key challenges, such as poverty.

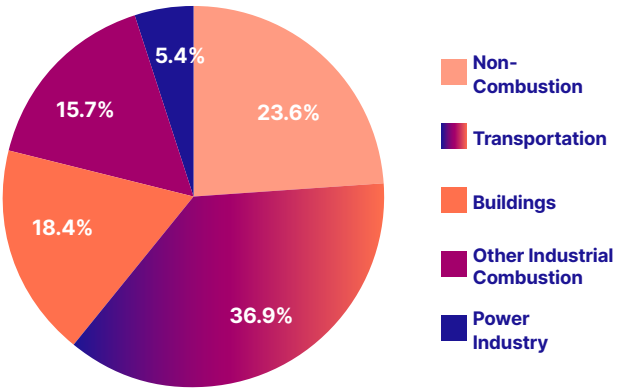
Nationally, the poverty rate is around 18%, but increases to 24% in rural areas. Inequality has also increased over the last decade. The Gini coefficient – a summary measure of income inequality – increased from 38.5 in 2013 to 56.1 in 2019 (World Bank and LSB, 2022). The world average in 2022 is estimated at 35.3.[3]

Laos PDR aims to emerge from Least Developed Country status (LDC) to become a middle-income country by 2030, through sustainable economic growth, poverty eradication, and stronger environmental protection. The government recognises the vital link between sustainability and economic development, and the importance of mainstreaming environmental considerations and including action on climate change within economic development efforts. The 9th Five-Year National Socio-Economic Development Plan (2021-2025) includes six key outcomes.[4] Outcome 4 - 'Environmental protection enhanced and disaster risks reduced' - has three outputs:

1. National resources sustainably used and managed;
2. Green growth promoted, and actions taken towards climate change mitigation;
3. Capacities for disaster prevention, management, and recovery enhanced (GoL, 2021a).

What this means, in practice, is that strategies to tackle climate change should, at the very least, not undermine other important elements of the sustainable development agenda. Ideally, climate action should be used as an opportunity to use transitions in key sectors of the economy to achieve other objectives relating to reducing poverty and inequality.

Emissions Causes by Sector



1. Source: https://www.worldometers.info/co2-emissions/laos-co2-emissions/
2. Source: https://www.worldometers.info/co2-emissions/laos-co2-emissions/
3. Source: https://worldpopulationreview.com/country-rankings/gini-coefficient-by-country. Data is only collected sporadically, so there are considerable differences in when the latest data set for each country is available. Hence, comparisons between countries may be indicative but are not robust.
4. The six outcomes from the 9th Five-Year Socio-Economic Development Plan (2021-2025) also include (1) Continuous quality, stable and sustainable economic growth achieved (2) Improved quality of human resources to meet development, research capacity, science and technology needs, and create value-added production and services (3) Enhanced well-being of the people (4) Environmental protection enhanced and disaster risks reduced (5) Engagement in regional and international cooperation and integration is enhanced with robust infrastructure and effective utilisation of national potential and geographic advantages (6) Public governance and administration is improved, and society is equal, fair, and protected by the rule of law

2. Existing Policies Aimed at Reducing GHG Emissions and Adapting to Climate Impacts

Despite its relatively low emissions, the Laos government intends to implement policies that support the long-term goal of limiting global GHG emissions, in line with the objectives of the UNFCCC and the findings of the Intergovernmental Panel on Climate Change's Fifth Assessment Report (Phosalath and Phongpachith, 2019).

The government of Laos has several plans and strategies to cut emissions, and to support adaptation and resilience.

The **National Strategy on Climate Change of the Lao PDR (NSCC)** was approved in early 2010 (GoL, 2010). It was then updated to **National Strategy on Climate Change of the Lao PDR (Vision to the year 2050, Strategy and Programs of Actions to the year 2030)**(GoL, 2021b). This was followed in 2013 by the **Climate Change Action Plan 2013–2020** (MoNRE, 2013). In 2015, the **CO_2 Emissions Reduction Plan 2015–2030** (GoL, 2015**)** was released.

The key focus areas for the **CO_2 Emissions Reduction Plan 2015–2030** (GoL, 2015) are described in Table 1. It is structured around six plans that envision changes in key sectors of the Laos economy, including forestry (and by implication, other land use sectors which are linked with deforestation), renewable energy, rural electrification, expansion of hydropower, and transport and urban development.

Table 1: Key focus areas for the CO_2 Emissions Reduction Plan 2015–2030

Sources: GoL, 2015; GoL, 2021c.

No.	Name of activity	Objectives of the activity
M1	Implementation of the Forestry Strategy to the Year 2020	To increase forest cover to 70% of land area (i.e. 16.58 million hectares) by 2020.
M2	Implementation of the Renewable Energy Development Strategy	To increase the share of renewable energy to 30% of energy consumption by 2025. (Large-scale technologies with installed capacity equal to or greater than 15 MW are not included in this target). For transport fuels, the objective is to increase the share of biofuels to meet 10% of the demand for transport fuels by 2025.
M3	Implementation of the Rural Electrification Programme	To make electricity available to 90% of households in rural areas by 2020. This will offset the combustion of fossil fuels to produce power where there is no access to the electricity grid.
M4	Implementation of transport-focused National Appropriate Mitigation Action (NAMA)	In one NAMA feasibility study, road network development is identified as the primary objective, which will reduce the number of kilometres travelled by all vehicles. The second objective is to increase the use of public transport. In addition to reducing GHG emissions, this activity will lead to a reduction in nitrous oxide and sulfur oxide emissions.
M5	Expansion of the use of large-scale hydroelectricity	The objective of this activity is to build large-scale (>15 MW) hydropower plants to provide clean electricity to neighbouring countries. The total installed capacity of the hydropower plants will be approximately 5,500 MW by 2020. In addition, 20,000 MW of additional hydroelectric capacity is planned for construction after 2020.
M6	Implementation of climate change action plans	To build capacity to monitor and evaluate policy implementation success, with the aim of producing new policy, guidance, and data. The objective is to develop and implement effective, efficient, and economically viable climate change mitigation and adaptation measures.

2. Existing Policies Aimed at Reducing GHG Emissions and Adapting to Climate Impacts

Nationally Determined Contribution (NDC)

Laos' most recent NDC to the United Nations Framework Convention on Climate Change (UNFCCC) was submitted in March 2021 (GoL, 2021c), updating its initial submission from 2015. Table 2 summarises six mitigation targets that were set out in the 2015 NDC and reiterated in the updated version in 2021. Of the six priority action areas, three are presently on track for implementation: the Rural Electrification Programme (M3), Expansion of the use of large-scale hydropower (M5) and Implementation of climate change action plans (M6). Adaptation and resilience strategies are not included in the NDC, but they are included in the Climate Change Action Plans (M6).

In support of these objectives, in 2018, the Government of Lao PDR adopted the **Green Growth Strategy 2030** (GoL, 2018).

Its main goal is to include green growth in the planning and execution of sectoral plans and local strategies to achieve long-term goals for national socioeconomic development. The long-term objective is to no longer be categorised as a least developed country (LDC) by 2030, by using green and sustainable approaches to achieve the Sustainable Development Goals (SDGs) by 2030 and become an upper middle-income economy.

The government has also issued several recent laws and regulations related to climate change and the environment, including a new Law on Forestry (GoL,2021b) and a Decree on Climate Change (GoL, 2019), both in 2019.

Table 2: Priority action areas identified in Laos PDR's updated NDC, March 2021

No.	Sectors / focus areas	2015 NDC measure
M1	Implementation of the **Forestry** Strategy	Increase forest cover to 70% of land area by 2020
M2	Implementation of the **Renewable Energy** Development strategy	30% renewable energy excluding large-scale hydropower by 2025 Share of biofuels to meet 10% of transport fuel needs by 2025
M3	Implementation of the **Rural Electrification** Programme	90% of households electrified by 2020
M4	Implementation of Nationally Appropriate Mitigation Action (NAMA) of **transportation**	Electric vehicle uptake will increase 40% in 2020 and 80% in 2030. Conventional vehicles will decrease 60% in 2020 and 20% in 2030.
M5	Expansion of the use of large-scale **hydropower**	Expansion of large-scale hydropower to 5,500 MW by 2020 Expansion of large-scale hydropower to 20,000 MW by 2030
M6	Implementation of **climate change action plans**	Climate Change Action Plan to be implemented

3. Just Transitions in Laos

Changes in these sectors are intended to deliver net benefits to Laos, and in some cases, to the global community. However, such changes could negatively affect certain groups or communities, depending on how they are designed and implemented.

For example, efforts to reduce GHG emissions from the agriculture and forestry sectors, through strategies such as reducing the use of swidden (slash and burn) agricultural practices, banning the collection of non-timber forest products (NTFP), and restricting the hunting of wildlife for consumption, can have negative impacts on local communities' livelihoods and create or exacerbate poverty. In the energy sector, efforts to expand hydropower sources will have consequences for rural communities in areas where new dams flood lands that communities rely on for subsistence agriculture or hunting. Promoting other types of renewable energy could affect poor households if, for example, this raises the price of electricity. Rising electricity prices could, in turn, drive more people away from electricity and back to biomass collection to meet household energy demand, which perpetuates poverty traps and leads to further environmental degradation.

Impacts may be either direct (e.g. some workers lose jobs, some farmers lose access to lands) or indirect (flow-on effects for local businesses and government revenue , or a downturn in production, etc).

The types of impacts will vary from sector to sector, and from place to place, depending on the socio-economic context of those regions that are most vulnerable to these changes. The impacts will not be evenly distributed and are most likely to impact people who are already vulnerable or marginalised (since these communities have less opportunity or capacity to adapt to the changes).

Just transitions are about managing these impacts – including the costs, but also the benefits of transition – in a way that is fair. Just transitions seek to avoid increasing inequality or worsening vulnerability. A key example is ensuring groups have the necessary support to find new livelihoods, and that local regions dependent on extractive activities are supported as they develop new economic activities.

4. Case Study: The Forestry Sector in Laos

Lao PDR has one of the highest proportions of forested area in Southeast Asia, but forest cover is diminishing. Between 1940 and 2010, the area of Laos covered with forest declined from around 70% to 40% (WB,2005; UNDP, 2010).

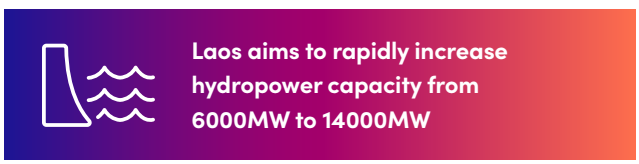
There are several factors behind the decline in forest cover (Manivong et al., 2018; Muziol et al, 2011), including:

1. There has been an increase in investment in both the mining and hydropower sectors, which are the economy's primary sectors, both of which contribute to forest loss. Hydropower projects initiate "salvage logging," which usually triggers further illegal logging beyond the dam area itself.
2. Domestic and international demand for Laos' timber has increased, and this, has driven more illegal logging. By some estimates, commercial logging rates are around 900,000m3 per year, of which half is illegal.
3. Agriculture, which employs around 60% of the total population, has a relatively low productivity, and therefore relies on swidden (slash and burn) practices. This is especially true in the north of Laos, which results in extensive land clearing. There are problems with the encroachment or conversion of rubber plantations or agricultural crops into forest areas.

The government has developed various plans and strategies to try to reverse deforestation and increase forest cover, including:

- In 1993, National Biodiversity Conservation Areas (NBCAs) and the National Protected Areas (NPAs) were established by Decree No. 164 / ND. Initially, 18 NPAs covered around 2.8 million hectares, or about 12% of the country's total area. By 2016, this had expanded to 24 NPAs covering 3.8 million hectares or 18% of land area (MONRE, 2016).
- The **CO_2 emissions reduction plan 2015–2030** targets a reduction in deforestation, an increase in forest cover, and supports related land-use changes (GoL, 2021d). The plan includes the target of increasing forest cover to 16.5 million hectares, which is 70% of Laos' total land area, by 2020 (GoL, 2005). The plan indicates that these ambitions are to be achieved by changes in land and forest use, production forest, tree plantation development, bio-diversity conservation, and protection forest and watershed management.
- In May 2016, a Prime Ministerial Order (PM15) **banned the export of all logs and sawn wood**. This followed a Notice issued in August 2015 (No.1360) which prohibited the export of raw logs.
- The objectives of the Forestry Strategy 2020 (FS2020) are to define and agree on a set of policy and institutional arrangements. The Strategy allocates relevant roles and responsibilities among the main stakeholders to achieve sector objectives and targets through the chosen strategies, policies and actions.
- A **National REDD+ Strategy**[5] was adopted in 2021 (GoL, 2021e). The REDD+ Strategy was integrated into the forthcoming Forestry Strategy 2030, and into the 9th NSEDP 2021-2025.
- A **National Forest Monitoring System**[6] has been developed to monitor the impacts of its implementation, and progress towards the forest targets.
- A **pilot program to introduce Payment for Environmental Services** (PES) has been implemented in Phou Khao Khouay National Protected Area and Phou Chomvoy Provincial Protected Area. Households involved with this pilot received small financial payments, in return for wildlife and forestry resources being protected by households (Scheufele et al., 2018).

Both the *Forestry Strategy* 2020 and the *National Action Plan & Strategy* on GHG Emission Mitigation include the ambitious long-term target of increasing national forest cover to 70%.[7] Although the target has not been achieved to date, some progress seems to have been made.



There is a tension in the climate plan, given that a major expansion of hydropower is envisaged (and underway – Lao PDR increased its hydropower

5. https://redd.unfccc.int/uploads/697_2_lao_nrs_final_2021_eng.pdf
6. https://redd.unfccc.int/uploads/697_3_nfms_roadmap_final_2021_oct_2020.pdf
7. See https://www.iucn.org/sites/dev/files/import/downloads/iucn_sensa_report_redd_bds_laos.pdf

resources from current installed capacity of approximately 6,000 MW (2018) to reach over 14,000 MW of energy production by 2020) while, at the same time, hydropower is one of the activities that has been driving forest loss (Kang, 2018). Reducing GHG emissions from the forestry and land-use sectors is challenging for several reasons, including funding, benefit-sharing, governance, and monitoring (Vongvisouk et al., 2020).

About 70% of Laos' population work in the agriculture or forestry sectors, and most of these people are poor. Depending on the strategies chosen and their design, reducing GHG emissions from this sector might lead to increased poverty and income inequality. Therefore, it is important that actions to protect forests and introduce more sustainable agricultural practices involve benefit-sharing mechanisms and social safeguards, in order to mitigate any negative impacts and to ensure the transition generates benefits for a wide segment of society.

Costs and benefits of transition to more sustainable forestry and land use practices

Implementing the Forestry Strategy should help tackle biodiversity loss, support ecosystem services, and contribute to reducing Lao PDR's net GHG emissions. The Strategy could help reduce flooding, soil erosion, and landslides. Moreover, it should also generate some benefits in local communities, for example:

1. Livelihood support from the government, through activities such as livestock programs, sustainable agriculture programs, and micro-finance programmes. If widely accessible – and if designed to be inclusive of poor and marginalised people – these initiatives could help strengthen local livelihoods and reduce rural poverty.
2. Improved knowledge and skills relating to agricultural practices and the sustainable harvesting of NTFP, for instance through training and field support.
3. Indirect investments through government programs to improve roads, hospitals, schools, and other social infrastructure, as well as livelihood-focused programmes.

However, its implementation could also create negative impacts for some people:

- Banning timber harvesting or other Non-Timber Forestry Products (NTFP) from forest areas could affect the daily survival of individuals and communities that currently rely on harvesting firewood for cooking and other household uses. Poor people in both rural and urban areas of Laos are heavily dependent on forestry resources, so any initiatives that prevent them from accessing forestry resources may be a significant threat to livelihoods. This may create resistance to the proposed changes.
- The ban on the export of logs and sawn wood might lead to job losses and diminished revenues in the timber industry, creating livelihood concerns for affected workers to (Hughes and Rescalvo, 2021).
- The ban on swidden (slash and burn) agriculture in certain areas could curtail access to land for agriculture, particularly for poor people who do not have their own land, and must rely on 'unused' land for their agricultural activities.
- Increasing patrolling, and preventing the collection of non-timber forestry products (NTFP), might negatively impact those who have relied on wildlife hunting, or non-timber forest product collection. Poor people, who often do not have their own land, depend on collection of NTFP and on wildlife hunting for their survival.

In other words, if efforts to reduce deforestation and expand forest cover are not well designed from the perspective of managing equity issues, they risk deepening poverty traps and enhancing vulnerability among certain groups.

It is essential to re-consider climate action in Laos in the context of just transitions, particularly in the forestry and land-use sectors (Kyophilavong et al., 2021). In practice, this implies, for example, providing loggers with viable, legal options to sustain themselves and those they support (Hughes and Rescalvo, 2021). It is critical to establish social forestry initiatives that push for poor people's participation in sustainable forest management. If poor groups are not actively involved in the decision-making process, well-intentioned, environmentally friendly forest activities may wind up causing harm. Failure to involve poor communities in governance may result in oversights, not just in terms of the effectiveness of planned activities, but also in terms of their sensitivity to the welfare and cultural legacy of people (Hughes and Rescalvo, 2021)

5. Just Transition Challenges in Laos

A just transition calls attention to how the policies mentioned above – including plans and investments to stop deforestation and promote reforestation – may create negative impacts for certain groups, and to how these will be managed as part of the transition process. Ensuring a just transition is imperative in a context like Laos, and aligns closely with the goals of the national development plan and with the SDGs. However, it is not a simple proposition, and at the present there are challenges to furthering plans for a just transition.

Limited understanding and awareness of the Just Transition Concept

Most of the policymakers and researchers canvased had a foundational knowledge and of climate change and its impacts, including the actions necessary to reduce GHG emissions. However, their familiarity with the concept of just transition was relatively low. The research team had discussions on issues relating to just transitions with a range of different stakeholders in Laos (see footnote).[8] Their perspectives give some insight into the present state of dialogue and readiness to begin planning for equity issues associated with climate transitions. For example:

1. Stakeholders already find the challenge of implementing the 'technical' actions to tackle climate change daunting – i.e., reducing emissions or increasing resilience to climate risks. Finance, capacity development of human resources, and technical knowledge transfers all need to be further developed to support the transition.
2. Few stakeholders in the land use and forestry sectors are familiar with the just transition concept or what it entails. However, stakeholders are aware of the potential costs and impacts of efforts to implement GHG mitigation and climate resilience programs. A similar level of awareness might be expected in other sectors too.
3. Stakeholders are aware of the (potential) negative impacts of decarbonisation, especially for poor and vulnerable groups. They are aware that – if poorly designed – these efforts could inadvertently increase inequality in the future.
4. As climate actions are supported and implemented, there should be related measures (policies, strategies) that support communities and other stakeholders in coping with any negative impacts.
5. Stakeholders, especially in government, presently rely heavily on external financial sources and support. Domestic financing mechanisms to tackle climate change are not well developed. Dialogue with development partners and climate funds therefore needs to begin by integrating some of the elements of just transition, to ensure that response strategies can be captured by the planning process and by funding decisions.

The Just Transition concept implies the consideration of a lot of different issues and impacts, extending well beyond the sectoral expertise of specific government ministries (like the environment/climate ministry for example, which is responsible for preparing Laos' NDC and climate change plans). In order to enable a just transition, Laos will need to address several strategies issues, outlined.

Capacity constraints and the lack of a cross-government coordination mechanism on just transition planning: The capacity to plan, model, and implement projects related to climate change and the environment among policymakers, researchers, and private sectors is still limited in Laos. The Ministry of Natural Resources and Environment's (MoNRE) Department of Climate Change (DCC) manages NDC coordination, but lacks the capacity needed for broad transition planning. As a result, other national institutions, particularly those in target sectors, are not effectively engaged in the design or implementation of the NDC or other domestic climate plans and strategies. Government ministries also experience significant personnel turnover in key sectors related to the transition, making continuity difficult because capacity needs to be re-developed.

At a sub-national level – where many of the transition challenges will be experienced and managed – government staff frequently lack the skills or resources to conduct feasibility studies, mitigation analyses, policy development simulations, data analysis, and modelling. As a result, it is difficult to simulate the impact of the just transition of low carbon emission on the welfare of the people, and

8. Stakeholders included: Ministry of Natural Resources and Environment (MONRE), Ministry of Agriculture and Forestry (MOAF), Environment Protection Fund (EPF), National Institute of Economic Research (NIER)-Ministry of Planning and Investment (MPI), World Bank (WB), International Finance Corporation (IFC), Électricité du Laos (EDL-Gen).

5. Just Transition Challenges in Laos

it is difficult to estimate the cost and the benefits of climate change, low carbon policy, just transition, etc.

Gaps in key data: The accuracy and availability of data is a constraint. There is a shortage of comprehensive, up-to-date data gathering systems and studies available to government authorities (Vongvisouk et al. 2020). Another issue with acquired data, techniques, and analysis outcomes is transparency (Vongvisouk et al., 2020).

Financial challenges: Laos is burdened with large budget deficits, meaning government funding for tackling climate change is limited and there is a heavy reliance on external donors (Vongvisouk et al., 2020). Despite receiving significant donor assistance for the forestry industry, the government lacks the necessary budget to cover all NDC initiatives (Vongvisouk et al., 2020). Environmental goals, and climate goals, are not well integrated into national budgeting and review processes, or other government financial mechanisms.

Processes for engaging local communities, including poor and marginalised people, in the planning of climate action and transition support: If poor groups are not actively involved in the decision-making process, well-intended efforts to promote, for example, sustainable land use and reforestation, may cause harm. Failure to involve local communities in governance may also result in oversights, not just in terms of the effectiveness of planned activities, but also in terms of their sensitivity to the welfare and cultural legacy of people (Hughes and Rescalvo, 2021; Broegaard et al., 2017).

Recommendations to Support a Just Transition in Laos

Going forward, some recommendations for tackling these challenges and removing barriers to Just transition action are as follows:

1. To overcome the awareness barrier, and enable stakeholders to initiate more complex planning, it would be helpful to make the Just Transition concept more accessible and easier to understand for government and other stakeholders. There have been very few dialogues (roundtables, workshops, conferences) organised around this theme in Laos, and few publications targeting Laos. These could play a useful role in building familiarity and bringing stakeholders together.
2. It is important to have clear strategies, plans, and programmes on how the risks and opportunities of climate-related transitions, in sectors like forestry or agriculture, will be identified, and how strategies to respond to these will be developed.
3. Better coordination between governmental departments is needed. This challenge can be tackled, in part, by improving the institutional setup and creating a specific mechanism for tracking and reporting on NDC implementation. It is also necessary to improve coordination between key ministries and invest more heavily in data collection and administration capability. For the NDC to be achieved, there will need to be adjustments to the governance structure and institutional environment.
4. Building capacity, at the national and sub-national levels, for coordinating and planning just transitions. Capacity building on how to address climate change, as well as how to ensure this transition is managed in a way that distributes the costs and benefits of transition fairly, is crucial for government staff as well as researchers and the private sectors. Creating forums for dialogue about just transitions could strengthen awareness of just transition concepts and how these might be integrated into the country's climate planning.
5. Improving the availability and accuracy of data related to climate change, and in sectors like forestry and land use, transportation, and renewable energy, will support transition planning.
6. Exploring options for mobilising more funding, and improving alignment between existing funding sources, is key. This would not only support NDC implementation, but also support the implementation of complementary programmes that could manage some of the transition risks and ensure just outcomes. Coordination between international donors in Laos is weak, and each donor operates with its own vision and mission, resulting in overlap in some cases of projects or activities by multiple donors, resulting in ineffective implementation.
7. It is necessary to have an integrated budgeting and review process that links economic and environmental, and climate change goals with government financial mechanisms.

It is critical to ensure that those who will be most affected by changes in land and forest management, or by other sectors targeted for action to address climate change, are meaningfully engaged in the planning and decision-making processes. Engagement opportunities should be targeted particularly to poor, marginalised or vulnerable groups, and should be tailored to each group's particular needs to ensure there are no barriers to participation. This is essential, as without procedural justice and participatory initiatives, researchers and policymakers risk developing transition plans that do not consider local needs, and may worsen inequalities.

Beyond inclusion in the process, these groups should also be given the chance to benefit from transitions in a way that reduces overall inequality. For example, the design and implementation of enhanced benefit sharing mechanisms in the forestry sector would provide new opportunities for poor communities who depend directly on land and forest resources for their livelihoods.

Transition policies that fail to consider these communities, and their specific needs, may result in a loss of livelihoods. On the other hand, policies that actively involve these communities in planning can both increase community acceptance and improve quality of life.

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